



RECORDATION NO. 11196 Filed 1425

DEC 13 1979 - 3 05 PM

INTERSTATE COMMERCE COMMISSION

August 17, 1979

No. S-247A100

Date DEC 13 1979

Fee \$ 50.00

ICC Washington, D. C.

Ms. Mildred Lee
Interstate Commerce Commission
Room 2227
12th and Constitutional Avenues, N.W.
Washington, D.C. 20423

Dear Ms. Lee:

We request that the following document be recorded pursuant to the provisions of Section 20C of the Interstate Commerce Act:

Security Agreement - dated August 9, 1979

between: Lender: North Carolina National Bank

Borrower: Joseph L. Wallace, Jr.
Judy B. Wallace

Equipment Description:

One (1) 50' 6" 70-ton boxcar Type XM
Road Numbers HN 5089

A check for the \$50.00 recordation fee is enclosed. Please return one copy of the document showing the recording data to George Snead, NCNB National Division, One NCNB Plaza, Charlotte, N.C. 28255.

Sincerely,


George A. Snead
Assistant Vice President

mls

Interstate Commerce Commission

Washington, D.C. 20423

12/13/79

OFFICE OF THE SECRETARY

George A. Snead
Assist.VP
NCNB Natl.Div.
One NCNB Plaza
Charlotte,N.C. 28255
Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/13/79 at 3:05pm, and assigned recordation number(s). 11196

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT
(Chattel Mortgage)

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INTERSTATE COMMERCE COMMISSION

In consideration of the granting to the undersigned (herein referred to as "Debtor") by North Carolina National Bank, Charlotte, North Carolina (herein referred to as "Bank") of a loan in the amount of \$ 31,000.00 as evidenced by promissory note of Debtor of even date herewith, bearing interest at the rate and payable in accordance with the terms of said note, Debtor hereby grants to the Bank a security interest in the following property including any and all additions, accessions, replacements and substitutions thereto or therefor as well as the proceeds thereof (all herein referred to as "Collateral"):

One (1) Box car Type XM (50', 6" 70-ton) bearing Road Numbers HN 5089

The Collateral shall also secure any and all other obligations or liabilities, direct or indirect, absolute or contingent, now existing or hereafter arising, of Debtor to Bank (all of which, including the above mentioned note, are hereinafter referred to as the "Obligations"), including further, without limitation, any sums which Bank may hereafter loan or advance to Debtor or any extension, revision, deferment or refinancing of the balance owing on the above mentioned note or other Obligations.

The Debtor hereby warrants and covenants that:

1. The Collateral is and will be used for business purposes. If checked here ☒ the Collateral is being acquired with the proceeds of the advance as evidenced by this agreement and the above mentioned note, which proceeds the Bank may disburse directly to the seller of Collateral.

2. The Collateral shall be located ~~at~~ on railroad trackage within the continental United States
(No. and Street)
of America
(City or Town) (County)

(State) until such time as written consent to a change of location is obtained from the Bank.

3. If the Collateral is to be affixed to real estate, the name of the record owner of the real estate is _____, and a description of the real estate is as follows: _____

and if the Collateral is affixed to such real estate prior to the perfection of the security interest granted hereby, the Debtor, on demand of the Bank, shall furnish the Bank with a disclaimer or disclaimers, signed by all persons having an interest in the real estate, of any interest in the Collateral. The Debtor agrees to notify the Bank in writing of any intended sale, mortgage or conveyance of the realty and to give written notice of the terms and conditions of this Security Agreement to any prospective purchaser, mortgagee or grantee of said realty and a copy of such notice to the Bank.

4. If the Collateral is a type normally used in more than one state and the Debtor has a place of business in more than one state, the Debtor's chief place of business is _____
(No. and Street)
Sanford Lee
(City or Town) (County)

North Carolina (State), and the Debtor shall immediately notify the Bank in writing of any change in the Debtor's chief place of business. If certificates of title are issued or outstanding in respect to any of the Collateral, Debtor shall cause the interest of the Bank to be properly noted thereon.

THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL PROVISIONS SET FORTH ON THE REVERSE SIDE HEREOF, THE SAME BEING INCORPORATED HEREIN BY REFERENCE.

IN WITNESS WHEREOF, the Debtor has executed this agreement this the 9th day of August, 19 79.

WITNESS/ATTEST:

Felicia S. Kimball
Felicia S. Kimball

Joseph L. Wallace, Jr. (SEAL)
Judy B. Wallace (SEAL)

ADDITIONAL PROVISIONS

FURTHER WARRANTIES AND COVENANTS OF THE DEBTOR

The Debtor hereby warrants and covenants that:

1. The Debtor shall not sell or offer to sell or otherwise transfer or encumber the Collateral or any interest therein without the prior written consent of the Bank and no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office except as Bank may have been notified of in writing prior to execution of this agreement. The Debtor shall immediately notify the Bank in writing of any change in addresses from those shown in this agreement and shall also upon demand furnish to the Bank such further information and shall execute and deliver to the Bank such financing statements and other papers and shall do all such acts and things as the Bank may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Obligations, subject to no prior liens or encumbrances.

2. The Debtor shall keep the Collateral at all times insured against risks of loss or damage by fire (including extended coverage), theft and such other casualties as the Bank may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as the Bank may approve, losses in all cases to be payable to the Bank and the Debtor as their interests may appear. All policies of insurance shall contain long form Lender's Loss Payable clauses in favor of Bank; and the Debtor shall lodge such policies with the Bank as evidence of compliance with the provisions of this paragraph. It is agreed that the avails of all such insurance, if any loss should occur, may be applied by the Bank to the payment of the Obligations hereby secured or to the replacement of any of the Collateral damaged or destroyed, as Bank may elect or direct. The Bank may act as attorney for the Debtor in making, adjusting and settling claims under and canceling such insurance and endorsing the Debtor's name on any drafts drawn by insurers of the Collateral.

3. The Debtor shall keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, shall not waste or destroy the goods or any part thereof and shall not use the Collateral in violation of any applicable statute, ordinance or policy of insurance thereon. The Bank may examine and inspect the Collateral at any reasonable time or times wherever located.

4. The Debtor shall pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement.

Additional Rights of Parties. The Debtor authorizes the Bank in its discretion to discharge taxes, liens or security interests, or other encumbrances at any time levied or placed on the Collateral, to place and pay for insurance thereon, to order and pay for the repair, maintenance and preservation thereof, and to pay any necessary filing or recording fees. Any amount so expended by the Bank pursuant to the foregoing authorization shall become additional indebtedness secured by this agreement and shall be payable upon the demand of the Bank. Until default the Debtor may have possession of the Collateral and use the same in any lawful manner not inconsistent with this agreement.

Events of Default — Remedies. Upon the occurrence of any of the following events or conditions, namely (I) default in the payment or performance of any of the Obligations, including without limitation the above mentioned note, or of any covenant or liability contained or referred to herein; (II) any warranty, representation or statement made or furnished to the Bank by or on behalf of the Debtor in connection with this agreement shall prove to have been false in any material respect when made or furnished; (III) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (IV) if the Bank deems itself or the Collateral to be insecure; (V) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Debtor or any guarantor or surety for the Debtor; thereupon, or at any time thereafter (such default not having previously been cured) the Bank, at its option, may declare all of the Obligations to be immediately due and payable and shall then have the remedies of a Secured Party under the Uniform Commercial Code. The Bank shall have the right to take possession of the Collateral and for that purpose the Bank may, so far as the Debtor can give authority therefor, enter upon any premises on which the Collateral or any part thereof may be situated and take possession of, assemble and remove the same therefrom and Debtor waives all process, notice and/or hearing in connection with such action or the underlying claim upon which such taking may be based. The Bank may require the Debtor to assemble and make the Collateral available to the Bank at a place to be designated by the Bank which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Bank shall give the Debtor at least five days prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The Bank may sell, lease, or otherwise dispose of the Collateral and may be the purchaser at any such sale and the proceeds of any such sale shall first be applied to the expenses of retaking, holding, preparing for sale and selling the Collateral, including reasonable attorneys' fees and legal expenses, and then to the payment of any taxes and to reimburse the Bank for any taxes or insurance premiums paid by the Bank, and the balance of the proceeds shall be applied to the payment of the note referred to herein as well as all other Obligations. The Debtor shall be liable for any deficiency and any surplus shall be paid to the Debtor.

General. This agreement and the security interest in the Collateral created hereby shall terminate when the above mentioned note and other Obligations have been paid in full. No waiver by the Bank of any default shall be effective unless in writing nor operate as a waiver of any other default or of the same default on a future occasion. All rights of the Bank hereunder shall inure to the benefit of its successors and assigns; and all Obligations of the Debtor shall bind the heirs, legal representatives, successors and assigns of the Debtor. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall take effect as a sealed instrument.

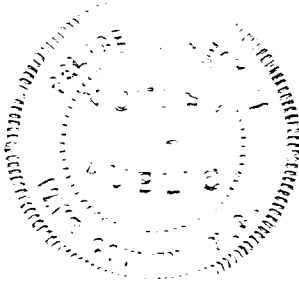
If and to the extent that applicable laws confer any rights or impose any duties inconsistent with or in addition to any of the provisions of this agreement, the affected provisions shall be considered amended to conform thereto, but all other provisions hereof shall remain in full force and effect.

STATE OF NORTH CAROLINA

CITY OF Sanford

COUNTY OF Lee

On the 22nd day of August, 1979, before me personally appeared Joseph L. Wallace, Jr. and Judy B. Wallace, to me personally known, who, being by me duly sworn, say that they are Joseph L. Wallace, Jr. and Judy B. Wallace, that the signatures affixed to the foregoing instrument are the signatures of the said individuals and that the said instrument was signed and sealed by each individual and they acknowledged that the execution of the foregoing instrument was the free act and deed of each individual.



(SEAL)

J. L. Seawell (Kinball)
Notary Public

My commission expires:

My Commission Expires September 24, 1979
(date)